

MUNICIPAL CORPORATIONS COMMITTEE

DATE: July 19, 2006

CALLED TO ORDER: 4:10 p.m.

ADJOURNED: 4:30 p.m.

ATTENDANCE

Attending Members

Ron Gibson, Chair
Vernon Brown
Lonnell Conley
Scott Keller
Earl Salisbury

Absent Members

Sherron Franklin
Isaac Randolph

AGENDA

Update on Indianapolis Marion County Public Library

MUNICIPAL CORPORATIONS COMMITTEE

The Municipal Corporations Committee of the City-County Council met on Wednesday, July 19, 2006. Chair Ron Gibson called the meeting to order at 4:10 p.m. with the following members present: Vernon Brown, Scott Keller and Earl Salisbury. Arriving shortly thereafter was Lonnell Conley. Absent were Sherron Franklin and Isaac Randolph.

Update on Indianapolis-Marion County Public Library

Chairman Gibson said the purpose of the meeting was to get an update on the fiscal and operational status of the Indianapolis-Marion County Public Library (IMCPL), and the progress on the renovation of the Central Library. He said the project is important and he wanted to ensure that the Library is on track with taxpayer dollars. Chairman Gibson said anyone joining the tour, which follows the meeting, would need to sign a liability waiver form.

Chairman Gibson asked Louis Mahern, IMCPL Board President, to discuss the recent good news first. Mr. Mahern said the projected end date of construction for the Central Library would be April 2007 and not February 2008 as was previously stated. That means construction will end ten months earlier. He said it would take eight months for all of the resources to be moved into the renovated facility, staff to get familiar with the facility, and computers and equipment to be installed. He said the Library would be open for business before the end of 2007. Mr. Mahern said the IMCPL Foundation may hold a fundraiser/gala to coincide with the opening of the facility.

[Clerks note: Councillor Lonnell Conley arrived at 4:15 p.m.]

Mr. Mahern said the early completion and move-in was made possible because of the new construction management team. He said the Hunt Construction – Smoot Team has accomplished a lot in the six to eight months it have been on the project. He said the Library is very pleased with the construction management team.

Mike Coglan, IMCPL architect, said the Council's committee meeting location was the original Children's Room (Riley Room), from when the Library was first opened. He said that once the Library is finished there would be a dynamic view in the evening. Mr. Codlen said the east garden is land that was donated by James Whitcomb Riley for the Library.

Chairman Gibson said he is pleased to hear the construction project is ahead of schedule and asked what that means financially for the Library. He asked for an update on the \$45 million in bond money that is being pursued by the Library. Mr. Mahern said that the IMCPL Board would meet on July 20, 2006 and adopt the 2007 budget, which will be forwarded to the Council's Municipal Corporations for approval. He said that once the Council approves the budget, the IMCPL Board would then give the final approval. Mr. Mahern said the first round of bonds, in the amount of \$25 million, would also be voted on at the meeting. He said the first round would be capitalized for the first year so there would not be an impact on property tax rates for the first year. Mr. Mahern said that probably in May of 2007 the second round of bonds would be issued for not more than \$20 million. He said two mediations are scheduled for the summer of 2006; one with the architect and one with the other parties that are a part of the lawsuit in the Library construction project. The amount of money received from the mediations, if any, will determine the amount of bonds issued in the second round, but it will not exceed \$20 million. Mr. Mahern said if some of the lawsuits are resolved through mediation, and some money is collected by May 2007, then the full set of bonds will not be needed.

Chairman Gibson asked if money collected through mediation could be used to offset some of the bonds. Mr. Mahern answered in the affirmative and said the bonds could be paid off early. Chairman Gibson said he hopes the mediation resolution goes in favor of the taxpayer.

Chairman Gibson asked Linda Mielke, IMCPL president, for an update on the 2006 budget and its implications on the 2007 budget.

Ms. Mielke said the summer reading program is in progress and approximately 40,000 are participating in the programs. Ms. Mielke referred to page 7 of the Indianapolis-Marion County Public Library's Annual Budget 2006. (See Exhibit A, a copy of which is on file in the Council's office). She said the cost for circulation continues to decrease, from \$3.06 in 2004 to \$2.65 in 2005. The number of people visiting the Library increased from 5,136,843 in 2004 to 5,423,904 in 2005. She said the Library is working within its financial means. Ms. Mielke said the Library's budget for 2007 will be within the parameters given to it by the Municipal Corporations Committee.

Chairman Gibson asked if taxes would remain the same for 2007. Ms. Mielke answered in the affirmative. Mr. Mahern said there would be a 5% decrease in assessed valuation and that may cause a very small increase in the tax rate, but the amount of money received by the Library will not change. Chairman Gibson asked if operations and debt service would remain the same. Mr. Mahern answered in the affirmative and said the total would remain the same. Chairman Gibson asked if there would be some variances in operations and debt service. Mr. Mahern said there might be a variance in capital improvements. He said the overall tax rate would not change, except for an allowance due to the decrease of assessed valuation because of the elimination of inventory taxes.

Councilman Brown asked what the budget implications mean to the taxpayers. Mr. Mahern said for every unit of government that collects the same funds for 2007 as it did in 2006, there may be a property tax increase for real property and business personal property because the assessed valuation of inventory is being eliminated not because the Library raised the tax. He said it would be a minimum increase for real property taxpayers in Marion County.

Chairman Gibson granted Councillor Keller a point of personal privilege. Councillor Keller said the American architect Frank Lloyd Wright visited Indianapolis and expressed that the Library was the only building in the city that he liked. He said the area also has a lot of apartments that were restored in the 1980s. He said it was a small group that was a part of the renovations which included Louis Mahern, the IMCPL Board chairman.

Councilman Brown asked for an update on the unionization of Library employees and if staff relations with management has improved. Ms. Mielke said it is difficult on staff relations when there are cuts and the 2007 budget is status quo, while customer visits to the Library are up by 20% across the board and 80% at the Brightwood Branch.

Councilman Salisbury said the area was once called Keller Acres because of the buildings being restored by Councillor Keller.

[Clerk's note: A tour of the Central Library followed the meeting.]

With no further business pending, and upon motion duly made, the Municipal Corporations Committee of the City-County Council was adjourned at 4:30 p.m.

Respectfully submitted,

Ron Gibson, Chair
Municipal Corporations Committee

RG/csp